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ABSTRACT

The rapid rise in entrepreneurship programs and centers has been fueled by unprecedented student demand, and the popularity of entrepreneurship courses is outstripping the supply in programs across the United States. Entrepreneurship education has been criticized as a fad by some, but it appears to have established a firm beachhead in higher education. Entrepreneurial education emphasizes imagination, creativity, and risk-taking, and traditional business programs have come under increased criticism for failing to be relevant to the needs of the changing business environment. Data on the success of entrepreneurial education programs are still very preliminary, but graduate schools continue to build programs and conduct research to foster entrepreneurial education. (SLD)

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Teaching New Dogs New Tricks; The Rise of Entrepreneurship Education in Graduate Schools of Business

By Carolyn Brown

Entrepreneurship programs and centers have been on the rise in business schools around the world over the past decade. In the United States they have sprung up at such prestigious institutions as Harvard, Stanford, Northwestern, and the University of Chicago to name only a few. Currently, 170 universities are offering classes in entrepreneurship, the majority of them in the graduate schools of business, management or engineering. Less than half of these existed just three years ago (Lord, 1999).

The rapid rise of these programs has been fueled by unprecedented student demand as the portion of the population in their 20s and 30s looks for an education that will provide them with the skills to succeed in today's dynamic and divergent business world. "In the not too distant past, " says Kevin Farrell of Venture Magazine, "most business schools would nod in the direction of entrepreneurship by offering electives in small business or in managing the family

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business" (1984, p.60). Students today are demanding courses that teach practical skills for starting and growing businesses (Farrell, 1994).

Small business are getting more attention not only because companies start small, but these young entrepreneurs have every intention of seeing their companies succeed beyond the definition of small business. Contemporary business students have no illusions about settling into a corporate mid-management position and retiring with a gold watch in 30 years. The corporate downsizing of the 1980s led not only to the widespread understanding that corporations do not provide job security, but recent figures bear out the perception of large corporations as secondary employers to small and mid-sized companies. Between 1988 and 1993, while large corporations created 100,000 new jobs, small and mid-sized companies created 1.8 million new jobs (Lord, 1999).

The generation of the 1990s is interested in flexibility, and personal success. "We were brought up to believe that it's better to make 50 cents for yourself than a buck for someone else" (Stern, 1996 p. 51). This is a population that is looking for self-determination and personal fulfillment and is willing to use imagination and hard work to gain them. Large corporations are perceived as stifling creativity and personal growth. Students are entering business schools looking to gain necessary skills for developing their own businesses or contributing in a meaningful way to the growth of a small company (Farrell, 1984).

The popularity of entrepreneurship courses is outstripping the supply in programs across the country. At the University of Chicago's Graduate School of Business 1,248 students sought places in four classes. The school doubled the offerings, but the classes remained oversubscribed.

At Northwestern University's Kellogg Graduate School of Management, nearly one third of the students indicated an interest in entrepreneurship courses (Lord, 1999).

Because of its recent arrival into the mainstream of higher education, entrepreneurship has been criticized as a fad by some and, at the very least, questioned in articles and research as to its potential for longevity as an academic field. Robert Ronstadt of Babson College in Massachusetts provides an analysis of why entrepreneurial education has firmly established a "beachhead in academia". He claims that a variety of social and economic factors have contributed to the establishment of entrepreneurial education. These include:

- Recognition that the traditional MBA approach of short term/low risk business practice no longer applies;
- Acceptance that entrepreneurship can be learned and therefore taught, that not just "born" entrepreneurs can be successful;
- Academic recognition that entrepreneurship is an important educational innovation;
- An expanding interest in entrepreneurship as a field of research and teaching;
- Increasing demand for entrepreneurship courses by new business students and by seasoned businesspeople interested in the skills they need to expand their businesses;
- A growing awareness among university administrators that generous alumni donors are successful business people;
- A growing body of research on entrepreneurial education.

(Ronstadt, 1985 p.12)

Entrepreneurial education emphasizes imagination, creativity, and risk-taking in business whereas traditional business schools are becoming more and more irrelevant to the real world of business according to Lyman Porter, a professor of Business from the University of California, Irvine. They are seen as not stressing the cross-functional complexity of business problems, and

they tend to over emphasize the quantitative, corporate techniques at the expense of the day-to-day people skills (Porter, 1994).

Academics interested in entrepreneurship have quietly existed in business schools for many years, although they were "perceived as a threat to a system...that largely ignored business in favor of producing middle managers for large organization" (Ronstadt, 1985, p. 8). Business programs are established academic disciplines that provide theoretical and quantitative skills primarily for students who see their future with large corporations. Traditional business school programs emphasize the large established corporation over the small or start-up venture and nurture the follower and steward over the leader, creator and risk taker (Chia, 1996).

Traditional business programs, though well attended, have come under increased criticism in the past decade for failing to be relevant to the needs of the changing business environment. On the same hand, entrepreneurial education has also been criticized for attempting to teach what, until recently, has been considered unteachable. It has been the established understanding among business professionals that some people are born entrepreneurs and will succeed with or without education, while no amount of education can provide business success for someone who lacks the "entrepreneurial spirit." Stuart Meyer, professor at the J.L. Kellogg Graduate School of Management at Northwestern University comments on teaching entrepreneurs; "They either have it or they don't. I can't teach students the personality traits necessary to take risks, but I can teach them to analyze those risks, to be analytical about their choices, and to learn from mistakes made in the past" (Farrell, 1984 p. 63). John R. Thorne, professor at the Graduate School of Industrial Administration at Carnegie-Mellon University agrees, "We can't teach entrepreneurship, but we can teach the mechanics of starting a new business, and impart practical knowledge to our students" (Farrell, 1984 p. 63). As people enter

business schools to learn entrepreneurship and then take advantage of the economic opportunities of the 1990s, it is becoming more accepted that entrepreneurship can be learned.

Entrepreneurship courses emphasize the skills and knowledge needed to enter business rather than just to understand the functions of an already existing business. Course format is more informal, generally doesn't assume any formal business training on the part of the students, and tends to focus on "hands-on" teaching methods. Skills and content of entrepreneurship courses tend to emphasize:

- Critical thinking;
- Reliance on experience - successful courses assess student skills and needs;
- Starting a venture early in life-right out of school;
- Thinking about entrepreneurship as a career that allows for multiple ventures;
- Venture feasibility analysis-short and simple, rather than an elaborate business plan;
- Use of guest speakers who are experienced entrepreneurs;
- Personal ethical assessment;
- Entrepreneurial success as a combination of human, venture and environmental conditions;
- Creativity skills;
- Ambiguity tolerance;
- Venture strategy and evaluation skills;
- Networking, deal-making, and harvesting skills.

Data on the success of entrepreneurial education programs are still very preliminary. It's too early to know whether the graduate MBAs will indeed, become successful entrepreneurs. A 1997 study at Babson showed that of 30 entrepreneurs with just a high school education, 70 percent had successful launches versus none of the eight who had graduate degrees (Lord, 1999). However, Professor Katz of St. Louis University believes that such training will pay off;

"Business school grads know what's happening to the money. There will be very few crashes and burns" (Lord, 1999). Many of today's MBA graduates are taking positions with small or mid-sized up-and-coming firms that offer good salaries and a chance for growth. However, these companies are increasingly seeking the creative and critical minded people who are being trained in entrepreneurship programs to provide "intrapreneurial" attitudes to help expand and spin off their business. It is too early to know how many of these "intrapreneurs" who are working for others paying off graduate school debts will end up in entrepreneurial ventures of their own.

Graduate schools continue to build programs and conduct research to foster entrepreneurial education. Over 250 research articles have been published in the last couple years. Research by Jerome Katz, a management professor at Saint Louis University in Missouri shows that one entrepreneurship center is opening every month with budgets of up to $2 million. (Robinson & Haynes, 1991). A plethora of successful start-up companies, a technology that provides for new and different ways to do business, and the expanding globalization of goods and services are, indeed, changing the way business is done. Entrepreneurial education may be reaching to fill the needs that the traditional system cannot.

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